

AR PUBLIC EMPLOYEE RETIREMENT SYSTEM

Enabling Laws

Act 1433 of 2005

Public Employees Retirement System

A.C.A. §24-1-101 through §24-2-704; §24-4-101 through §24-4-1003; §24-7-501; §24-7-1001 through §24-7-1101; §24-8-212 through §24-8-214; §24-8-222; §24-8-312; §24-8-901 through §24-8-903; §24-10-302 (e); §24-12-126

State Police Retirement System

A.C.A. §24-2-401 through §24-2-619; §24-6-101 through §24-6-415

Judicial Retirement System

A.C.A. §24-2-401 through §24-2-619; §24-8-201 through §24-8-228; §24-8-701 through §24-8-717

District Judges Retirement System

A.C.A. §24-2-401 through §24-2-207; §24-2-401 through §24-408; §24-2-501 through §24-2-502; §24-8-801 through §24-8-821

History and Organization

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

General - The Arkansas Public Employees Retirement System (APERS) administers a statewide public employee retirement program for certain state (including members of the General Assembly and State Constitutional Officers), municipal, school district employees (cafeteria workers, bus drivers, and janitors enrolled before July 1, 1989) and all county employees (including county constitutional officers). A nine member Board of Trustees appointed by the Governor controls APERS.

The Executive Director also serves as State Social Security Administrator and is responsible for coverage-related issues for state and local government employers.

Mission Statement - The mission of the Agency is to play an integral role in the future financial security of the APERS, Arkansas State Police Retirement System (ASPRS), and Arkansas Judicial Retirement System (AJRS) members by promptly and courteously delivering quality benefits and information which members value and trust through professional plan administration and prudent management of System assets.

Retirement Programs - Retirement Programs provide coverage and benefits under both "contributory" and "non-contributory" provisions.

Act 177 of 1956, as amended, established APERS as a contributory plan.

Act 793 of 1977, as amended, established the "non-contributory" provisions for APERS. Additionally, this Act provided for a "list of permissible investments" for both Systems. The investment provision was later amended by Act 412 of 1985, which replaced the "permissible list" with the Prudent Investor Rule.

Act 653 of 1989 places all newly hired after July 1, 1989, school district employees in the Teacher Retirement System.

Act 339 of 2003 allowed the Board of Trustees to consider implementation of a new contributory plan for covered employees hired after July 1, 2005.

ARKANSAS STATE POLICE RETIREMENT SYSTEM

Act 311 of 1951, as amended, established the "contributory" provisions of the Arkansas State Police Retirement System and provides for the retirement of uniformed troopers of the Arkansas State Police. A seven member Board of Trustees elected by active and retired troopers controls ASPRS.

Act 647 of 1969 transferred the administration of the Arkansas State Police Retirement System (ASPRS) on July 1, 1969, to the Executive Director and staff of APERS.

Act 793 of 1977, as amended, established the "non-contributory" provisions for the State Police Retirement System. Additionally, this Act provided for a "list of permissible investments" for both Systems. The investment provision was later amended by Act 412 of 1985, which replaced the "permissible list" with the Prudent Investor Rule.

Act 1071 of 1997 established a Tier II Plan for State Police Retirement.

ARKANSAS JUDICIAL RETIREMENT SYSTEM

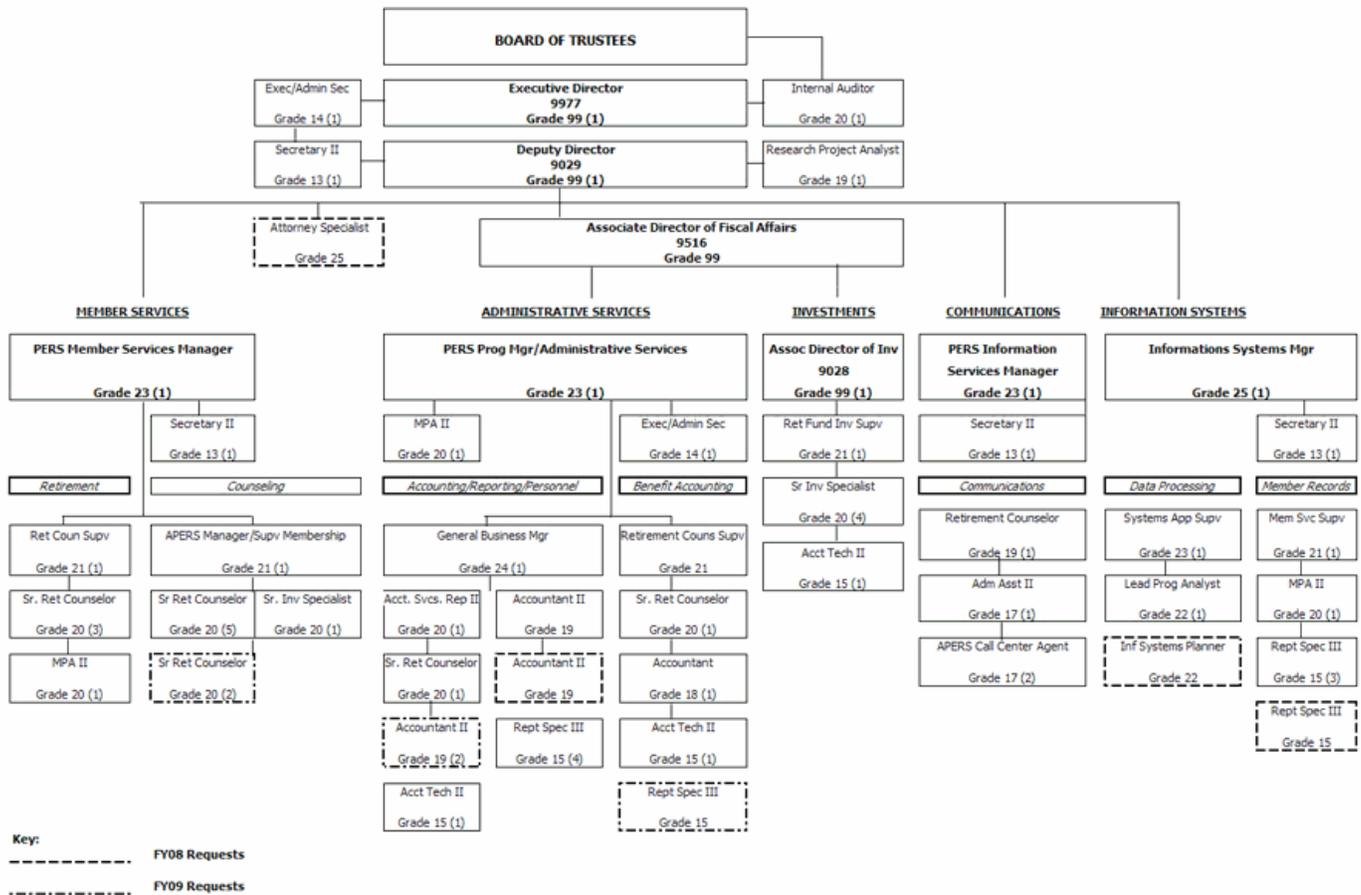
Act 365 of 1953 created the Arkansas Judicial Retirement System, which provides for the retirement of all Chancery, Circuit, Court of Appeals Judges and Supreme Court Justices. A five member Board of Trustees appointed by the Arkansas Judicial Council controls AJRS.

Act 922 of 1983 transferred the administration of the Arkansas Judicial Retirement System (AJRS) on July 1, 1983, to the Executive Director and staff of APERS.

Act 399 of 1999 established a Tier II Plan for Judicial Retirement.

ARKANSAS DISTRICT JUDGES RETIREMENT SYSTEM

Act 1374 of 2003 created the Arkansas District Judges Retirement System, which provides for the retirement of all district judges. The same act closed the Municipal Judges and Clerks Retirement System. A five member Board of Trustees controls ADJRS. The trustees are appointed as follows: Two members are appointed by the Arkansas District Judges Council; Three members are appointed by the Governor, one of whom must not have previous service in the judicial system.



Agency Commentary

The administration of the APERS benefits and investment programs is a vastly more complex operation than it was just five years ago.

- APERS is now a contributory plan - already over 6,000 employees are contributory, providing almost \$2,875,000 in additional in-flows in the first 9 months alone.
- The array of retirement options available to the membership has exploded in the last several years. From DROP and PAW to possible purchases of out-of-state or Federal service, not to mention reciprocal provisions among Arkansas plans mean that the Member Services section must spend hours working up the retirement possibilities for each member that inquires.
- Financial reporting requirements, as established by GASB, are increasingly detailed and complex.
- Investment vehicles used by our money managers are no longer simple stocks and bonds. There are credit default swaps, derivatives, currency hedges, multilayered convertible securities that must be properly analyzed and booked into the General Ledger system.
- We have been given a fourth retirement system to develop and administer.

By the year 2016 we are projected to have nearly 31,000 retirees - an increase of 10,000 from FY

2005. The years 2007 through 2016 are anticipated to be the sharpest growth period for retirees predicted in the 50-Year Projections developed by the actuaries in 2001. The demand for access to pre-retirement counseling will be at its peak during this period. Pushing information to the membership in the form of regional seminars, and one-on-one counseling sessions and call center services will be front and center on the agenda for the agency.

APERS Ranked Change Level Requests for the 08/09 Biennium

Rank #1/TSR0000/C01/CI 00/Salaries; C01/CI 03/Matching - APERS requests the addition of four new positions in FY08: A Staff Attorney (Grade 25), an Information Systems Planner (Grade 22), an Accountant II (Grade 19), and a Reporting Specialist III (Grade 15). APERS requests the addition of 5 additional positions in FY09: Two Accountant II (Grade 19), two Retirement Counselors (budgeted at Grade 20, but hired at Grade 18), and one Reporting Specialist III (Grade 15).

	FY08	FY09
Salaries	\$122,706	\$258,198
Matching	\$ 42,544	\$ 91,969

Staff Attorney - Grade 25

The current Social Security Coordinator for APERS is in the DROP and must retire by July 1, 2008. It is our suggestion that, for succession purposes, a new staff attorney position be added to handle interaction with federal agencies as well as to direct the efforts of the existing Research Project Analyst (Grade 19) position. Additionally, this attorney would be responsible for the review and processing of Professional Service Contracts and Investment Management Agreements, the review of QDRO's submitted to the retirement system, establishing due process procedures, e.g. for collection of overpayments, issuance of RFP/RFI's, bill drafting, monitoring proposed legislation, etc.

Information Systems Planner - Grade 22

The reasons for this position request are many. First, the data in MARSS needs to be scrubbed; there are an estimated 29,000 corrections to be done on member data, from employee contributions to address locations. If a member were to seek a termination refund right now, there would be no certainty that the contributions reflected in his history are correct. Second, it is imperative for APERS to embark on an in-depth assessment of our current MARSS system. We have a sense that the 10 year old system is operating at the maximum capacity of its technology. APERS needs an individual to devote attention to working with DIS toward the optimal solution, whether that be a programming tune-up or a new enterprise solution altogether; at the very least the system must migrate away from using Social Security numbers as member identifiers. Third, APERS must begin development of a member-access protocol so that employees can view their history and contributions on-line. It is only a matter of time before this becomes a legislative mandate. Finally, our Lead Programmer/Analyst who currently handles all MARSS inquiries has stated his intention to retire in the very near future. It will be important to establish a solid knowledge transfer before that person leaves.

Accountant II - Grade 19

The Accountant is needed as a direct result of the new contributory program that became effective July 1, 2005. In just 9 months, APERS membership has mushroomed from 48 pre-1978 contributory members to more than 6,000; this number will continue to grow quickly in the coming

years. It is imperative that APERS staff do a timely and accurate job of recording and accounting for member contributions and interest. This is an on-going challenge given the way the state payroll system details the information submitted by employers. As well, the number of DROP and PAW payouts has grown geometrically in recent years, from 139 in 2002 to nearly 400 in 2005. In almost every instance, members are requesting a combination of lump-sum payout and trustee-to-trustee transfer, thereby multiplying the accounting activity two-fold. Given the increase in activity that we are currently experiencing in these areas now, and additional increases going forward, adequate staffing is vital.

Reporting Specialist III - Grade 15

The Member Records Section is responsible for scanning in an average of 3,000 member-related documents & letters per week. They establish new employers as well as new employees in our member record system (MARSS), make requisite history adjustments to member records to correct inaccurately reported data, and importantly, initiate the process for issuing termination refunds within the agency. The volume of data that this Section is confronted with on a daily basis has escalated geometrically. APERS currently has someone in an "Extra Help" position in this area, but a permanent assignment is definitely needed.

Growth Positions (unbudgeted for FY08)

As the membership demand for retirement services increases over the next fifteen years, we anticipate that certain areas of the agency, particularly those that push services to the members, will need additional staffing resources to handle the volume. APERS staff proposes the authorization of an additional five positions with budgeting only for the second year of the biennium. These positions would be: two Accountant IIs - Grade 19, two Retirement Counselors (budgeted at Grade 20 but come in as Grade 18's), and one Reporting Specialist III - Grade 15 for Benefit Accounting.

Accountant II/Grade 19 (2 positions)

These positions will be needed to accurately record all financial data for the four retirement systems. These positions will be used to reconcile the monthly annuity payments and the monthly employee contributions paid to the member system to the general ledger. They will also be used to review/approve journal entries made by various APERS staff before being entered into the accounting system, and to assist in the compilation of the annual financial reporting data for both the retirement system annual reports and the State of Arkansas CAFR.

Retirement Counselor/Grade 20 (2 positions)

The number of members eligible for retirement is increasing each year. These two positions are needed to provide our members the necessary information that they need to plan their retirement--through one on one assistance in the office, responding to written requests for information and conducting statewide seminars.

Reporting Specialist III/Grade 15

Due to the increase in new retirees, this position will be needed in the Benefit Accounting Unit to enter new retiree annuity data into the member system and to respond to retiree's questions via telephone and by mail. This includes entering annuity payment, tax withholding, insurance and other deduction information into the retiree payroll system.

It is contemplated that further staffing additions will be needed, but recommend delaying those

requests until the '10-'11 budget cycle.

As the retirement ranks swell in the coming years, it is incumbent upon us to be adequately staffed and prepared to provide high-quality services that our membership has come to expect. When an individual requests a benefit estimate - a number upon which he or she will be counting on to determine the economic underpinnings of the second half of life - we must have already done everything possible to ensure that not only is the member's wage and service history correct, but that we have appropriately and prudently carried out our fiduciary duty to protect member assets - both contributions and investments.

Rank #2/TSR000/C01/CI 02/Maintenance & Operations - APERS requests additional appropriation of \$70,000 for FY08 for increased printing and postage costs to produce and mail the employee handbook with updated information about the new contributory plan.

Rank #3/TSR000/C08/CI 02-M & O/CI 11-Capital Outlay - APERS requests additional appropriation of \$27,000 for FY08 and \$58,500 for FY09 in technology areas as follows:

FY08 - PC workstations for new staff (\$15,000); replacement of printers (\$5,000); external hard drives for backups, switches for network expansion (\$1,000). The Capital Outlay request of \$6,000 is to replace our current production server due to growth and new technology.

FY09 - Replacement of PC workstations (3 year replacement rotation plan) (\$30,000); Upgrade of agency software (\$24,500); Upgrade of server software (\$2,000); and a new projector for retirement seminars (\$2,000).

Rank #4/TSR000/C01/CI09-Conference Fees and Travel - APERS requests a \$20,000 increase for each year of the biennium to train new personnel and for the ongoing professional development of current staff. This level will allow APERS the ability to send both current and newly hired staff to professional development seminars that are required to stay abreast of changes in member services, accounting, internal auditing, investments, and actuarial and other retirement-related issues.

Rank #5/1310100/C01/CI23-Pension & Retirement Benefits - APERS requests an increase of \$25,000,000 in each fiscal year of the biennium to provide sufficient appropriation to accommodate the numbers of retirees that have their annuity payments deposited directly to their bank accounts via the Automated Clearinghouse (ACH) system.

Rank #6/TSR000/C01/CI14-Refunds/Reimbursements - APERS requests an increase of \$4,000,000 in each fiscal year of the biennium to provide sufficient appropriation to pay members who elect to participate in the Deferred Retirement Option Plan (DROP), the Partial Annuity Withdrawal (PAW), and to reimburse contributory members who request a refund of contributions upon termination.

Rank #7/TSR000/Transfers - APERS requests a transfer of \$1,700,000 in each fiscal year of the biennium from Data Processing Services to Data Processing to appropriately record charges assessed by the Department of Information Systems for the operation of our mainframe and network systems. APERS also requests a transfer of \$175,000 in FY08 and \$200,000 in FY09 from Professional Fees to Operating Expenses to accurately expend payments for actuarial services.

ASPRS Ranked Change Level Requests for the 07/08 Biennium

Rank #1/TMR0000/C01/CI02-Maintenance & Operations - ASPRS requests an increase of \$10,000 in each fiscal year of the biennium to pay for current Board of Trustee training and for the three new board members added to the ASPRS Board this year.

Rank #2/1310200/C01/CI23-Benefits/Non-Employee - ASPRS requests an increase of \$1,000,000 in FY08 and \$2,500,000 in FY09 to provide sufficient appropriation to accommodate the number of retirees that have their annuity payments deposited directly to their bank accounts via the Automated Clearinghouse (ACH) system.

Rank #3/TMR0000/C01/CI23-Benefits/Non-Employee - ASPRS requests an increase of \$500,000 in FY08 and \$1,000,000 in FY09 to provide sufficient appropriation to pay retirement annuities to members via warrant.

Rank #4/TMR0000/C01/CI14-Refunds/Reimbursements - ASPRS requests an increase of \$500,000 in FY08 and \$1,500,000 in FY09 to provide sufficient appropriation to pay members who elect to participate in the Deferred Retirement Option Plan (DROP).

Rank #5/TAR0000/C03/CI44-Special Character - ASPRS requests a decrease of \$28,000 in each year of the biennium to remove data processing budgets. All DP costs will be paid by APERS and reimbursed by ASPRS through the annual transfer.

AJRS Ranked Change Level Requests for the 07/08 Biennium

Rank #1/1310300/C01/CI23-Maintenance & Operations - AJRS requests \$1,200,000 in FY08 and \$3,200,000 in FY09 to provide sufficient appropriation to accommodate the number of retirees that have their annuity payments deposited directly to their bank accounts via the Automated Clearinghouse (ACH) system.

Rank #2/TAR0000/Transfers - AJRS requests a transfer of \$17,500 in each fiscal year of the biennium from Data Processing Services to Data Processing to appropriately record charges assessed by the Department of Information Systems for the operation of our mainframe and network systems.

ADJRS Ranked Change Level Requests for the 07/08 Biennium

Rank #1/1310300/C01/CI23-Maintenance & Operations - ADJRS requests \$1,400,000 in each fiscal year of the biennium to provide sufficient appropriation to accommodate the number of retirees that have their annuity payments deposited directly to their bank accounts via the Automated Clearinghouse (ACH) system.

Rank #2/TDJ0000/Transfers - ADJRS requests a transfer of \$20,000 in each fiscal year of the biennium from CI10 to CI02 to accurately expend payments for actuarial services.

Rank #3/TDJ0000/C03/CI44-Special Character - ADJRS requests a decrease of \$17,500 in each year of the biennium to remove data processing budgets. All DP costs will be paid by APERS and reimbursed by ADJRS through the annual transfer.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2005

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	11	17	28	53 %
Black Employees	2	21	23	43 %
Other Racial Minorities	0	2	2	4 %
Total Minorities			25	47%
Total Employees			53	100 %

Cash Fund Balance Description as of June 30, 2006

Fund Account	Balance	Type	Location
1310100	\$3,809	Direct Deposit/Checking	Bank of America - Little Rock

Statutory/Other Restrictions on use:

Payment of monthly annuities to those retired members of APERS who have their annuity payments deposited directly to their bank account.

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Monthly

Fund Balance Utilization:

Payments to retirees whose bank did not accept transfer or returns of payments to retirees/beneficiaries who are deceased.

Fund Account	Balance	Type	Location
1310200	\$7	Direct Deposit/Checking	Bank of America - Little Rock

Statutory/Other Restrictions on use:

Payment of monthly annuities to those retired members of ASPRS who have their annuity payments deposited directly to their bank account.

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

None

Fund Balance Utilization:

Payments to retirees whose bank did not accept transfer or returns of payments to retirees/beneficiaries who are deceased.

Fund Account	Balance	Type	Location
1310300	\$10	Direct Deposit/Checking	Bank of America - Little Rock

Statutory/Other Restrictions on use:

Payment of monthly annuities to those retired members of AJRS who have their annuity payments deposited directly to their bank account.

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Monthly

Fund Balance Utilization:

Payments to retirees whose bank did not accept transfer or returns of payments to retirees/beneficiaries who are deceased.

Fund Account	Balance	Type	Location
1310400	\$72	Direct Deposit/Checking	Bank of America - Little Rock

Statutory/Other Restrictions on use:

Payment of monthly annuities to those retired members of ADJRS who have their annuity payments deposited directly to their bank account.

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Monthly

Fund Balance Utilization:

Payments to retirees whose bank did not accept transfer or returns of payments to retirees/beneficiaries who are deceased.

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
ADJRS Annual Financial Report	N	N	N	275	Ordinary prudence requires that financial disclosure be made to participating employers and state officials.
AJRS Annual Financial Report	N	N	N	300	Ordinary prudence requires that financial disclosure be made to participating employers and state officials.
AJRS Member Handbook	N	N	N	275	Published when significant legislative changes to retirement statutes occur.
APERS Annual Financial Report	N	N	N	1,000	Ordinary prudence requires that financial disclosure be made to participating employers and state officials.
APERS Employer Guide	N	N	N	750	Published when significant legislative changes to retirement statutes and/or procedures occur.
APERS Member Handbook	N	N	N	50,000	Published when significant legislative changes to retirement statutes occur. Note: 100,000 will be printed in FY07 due to the new contributory system changes.
APERSpective Newsletter (Active/Retired)	N	N	N	65,000	Published and mailed quarterly to all active and retired members.
ASPRS Annual Financial Report	N	N	N	200	Ordinary prudence requires that financial disclosure be made to participating employers and state officials.
ASPRS Member Handbook	N	N	N	1,000	Published when significant legislative changes to retirement statutes occur.

Department Appropriation Summary

		Historical Data						Agency Request and Executive Recommendation							
Appropriation		2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
		Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
2QR	Public Employee Retirement-Oprs	45,318,137	57	71,273,432	61	71,279,611	60	75,641,148	65	75,257,669	63	75,787,903	70	75,374,299	67
2QS	St Police Retirement-Operations	8,754,588	0	14,361,560	0	14,361,560	0	15,343,560	0	15,343,560	0	16,843,560	0	16,843,560	0
2QT	Judicial Retirement-Operations	3,257,666	0	6,180,889	0	6,180,889	0	6,180,889	0	6,180,889	0	6,180,889	0	6,180,889	0
2QU	District Judges Benefits-Oprs	58,314	0	2,300,000	0	2,300,000	0	2,282,500	0	2,282,500	0	2,282,500	0	2,282,500	0
C22	Public Employee Retirement-Cash	180,793,356	0	210,000,000	0	210,000,000	0	235,000,000	0	235,000,000	0	235,000,000	0	235,000,000	0
C23	St Police Retirement-Cash	10,740,790	0	13,000,000	0	13,000,000	0	14,000,000	0	14,000,000	0	15,500,000	0	15,500,000	0
C24	Judicial Retirement-Cash	6,776,949	0	9,800,000	0	9,800,000	0	11,000,000	0	11,000,000	0	13,000,000	0	13,000,000	0
C25	District Judges Benefits-Cash	987,637	0	1,600,000	0	1,600,000	0	3,000,000	0	3,000,000	0	3,000,000	0	3,000,000	0
Total		256,687,437	57	328,515,881	61	328,522,060	60	362,448,097	65	362,064,618	63	367,594,852	70	367,181,248	67
Funding Sources			%		%				%		%		%		%
Trust Fund	4000050	256,687,437	100.0	328,515,881	100.0			362,448,097	100.0	362,064,618	100.0	367,594,852	100.0	367,181,248	100.0
Total Funds		256,687,437	100.0	328,515,881	100.0			362,448,097	100.0	362,064,618	100.0	367,594,852	100.0	367,181,248	100.0
Excess Appropriation/(Funding)		0		0				0		0		0		0	
Grand Total		256,687,437		328,515,881				362,448,097		362,064,618		367,594,852		367,181,248	

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
56	56	0	56	0	0.00%	60	53	7	60	0	11.67%	60	53	8	61	-1	11.67%

Negative number is due to a budgeted filled supplemental position.

Analysis of Budget Request

Appropriation: 2QR - Public Employee Retirement-Oprs

Funding Sources: TSR - APERS Fund

The Administration Program of the Arkansas Public Employees Retirement System (APERS) administers the Public Employees Retirement System, the State Police Retirement System, the Judicial Retirement System, and the District Judges Retirement System. Each retirement system has a separate Board of Trustees. The Public Employees Retirement System and the State Police Retirement System have both contributory and non-contributory provisions. The Judicial Retirement System is a contributory system.

The main goal of this Program is to provide members and retirees with the highest level of benefits, customer service and accurate, timely information.

APERS is requesting an overall change level of \$4,416,394 for FY08 and \$4,562,812 for FY09.

The Agency is requesting for FY08 and FY09 the continuation of one (1) supplemental position (Associate Director of Fiscal Affairs, \$85,000) and four (4) new positions that include one (1) Staff Attorney, Grade 25 (\$40,277), one (1) Information Systems Planner, Grade 22 (\$33,354), one (1) Reporting Specialist III, Grade 15 (\$21,446), and one Accountant II, Grade 19 (27,629). The Agency is requesting for FY09 only, one (1) additional Reporting Specialist III (\$21,446), two (2) additional Accountant II's (\$27,629), and two (2) Retirement Counselors, Grade 20 (\$29,394). These positions are to prepare for the sharp increase of 10,000 retirees between 2007 and 2016.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. The Base Level request of \$2,292,001 for FY08 and \$2,292,001 for FY09 for Regular Salaries does include board member Stipend payments. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching may reflect increases in the Base Level due to the Social Security Tax maximum income limit and certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

An increase of \$25,000 in Extra Help is requested to assist full-time employees and to allow for the continuation of ongoing projects. The Agency has not requested any additional Extra Help positions, only appropriation.

An increase is requested in Operating Expenses of \$266,000 in FY08 and \$258,500 in FY09 for printing (\$60,000) and postage (\$10,000) costs related to the employee handbook, the replacement of equipment (\$50,000) and purchase of new technology/equipment (\$29,500). This request also includes a transfer of \$175,000 in FY08 and \$200,000 in FY09 from Professional Fees to Operating Expenses to expend payments for actuarial services.

The Agency requests a \$20,000 increase for each year of the biennium in Conference & Travel Expenses to train new personnel and for the ongoing professional development of current staff.

A transfer of \$1,700,000 from Data Processing Services to Data Processing is requested to correctly record charges assessed and payments made to the Department of Information Services. These charges and payments are related to the Agency's mainframe and network systems.

An appropriation increase of \$4,000,000 in Refunds/Reimbursements is requested for FY08 and FY09 to provide sufficient appropriation to pay members.

APERS requests a \$6,000 increase in Capital Outlay for FY08 to replace the current production server due to growth and new technology.

The Executive Recommendation provides for the Agency Request except for:

- The addition of a Staff Attorney (Grade 25), an Information Systems Planner (Grade 22), and one of the three Accountant II (Grade 19) positions
- Increase in Operating Expenses
- Increase in Conference & Travel Expenses

Appropriation Summary

Appropriation: 2QR Public Employee Retirement-Oprs
Funding Sources: TSR - APERS Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,006,782	2,292,001	2,306,301	2,292,001	2,499,707	2,426,076	2,292,001	2,635,199	2,533,939
#Positions	57	60	60	60	65	63	60	70	67
Extra Help 5010001	18,540	25,000	25,000	25,000	50,000	50,000	25,000	50,000	50,000
#Extra Help	2	1	4	4	4	4	4	4	4
Personal Services Matching 5010003	599,288	696,287	662,666	732,609	799,297	775,449	732,946	849,060	815,216
Supplemental Emerg Positions 5010007	0	85,000	0	0	0	0	0	0	0
Operating Expenses 5020002	781,163	1,127,473	862,473	1,127,473	1,393,473	1,127,473	1,127,473	1,385,973	1,127,473
Conference & Travel Expenses 5050009	17,321	22,500	22,500	22,500	42,500	22,500	22,500	42,500	22,500
Professional Fees 5060010	269,773	4,325,171	4,700,671	4,325,171	4,150,171	4,150,171	4,325,171	4,125,171	4,125,171
Data Processing 5090012	0	0	0	0	1,700,000	1,700,000	0	1,700,000	1,700,000
Benefits-Non Employee 5100023	22,296,028	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000
Refunds/Reimbursements 5110014	18,618,953	25,000,000	25,000,000	25,000,000	29,000,000	29,000,000	25,000,000	29,000,000	29,000,000
Capital Outlay 5120011	2,585	0	0	0	6,000	6,000	0	0	0
Data Processing Services 5900044	707,704	1,700,000	1,700,000	1,700,000	0	0	1,700,000	0	0
Total	45,318,137	71,273,432	71,279,611	71,224,754	75,641,148	75,257,669	71,225,091	75,787,903	75,374,299
Funding Sources									
Trust Fund 4000050	45,318,137	71,273,432		71,224,754	75,641,148	75,257,669	71,225,091	75,787,903	75,374,299
Total Funding	45,318,137	71,273,432		71,224,754	75,641,148	75,257,669	71,225,091	75,787,903	75,374,299
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	45,318,137	71,273,432		71,224,754	75,641,148	75,257,669	71,225,091	75,787,903	75,374,299

Budget exceeds Authorized Appropriation in Personal Services Matching due to a filled supplemental position and due to matching rate adjustments during the 2005-2007 biennium.

Budget exceeds Authorized Appropriation in Supplemental Emergency Positions due to a filled supplemental position.

Budget exceeds Authorized Appropriation in Operating Expenses and Capital Outlay by authority of Budget Classification Transfer.

Change Level by Appropriation

Appropriation: 2QR-Public Employee Retirement-Oprs

Funding Sources: TSR - APERS Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	71,224,754	60	71,224,754	100.0	71,225,091	60	71,225,091	100.0
C01	Existing Program	4,282,360	4	75,507,114	106.0	4,397,278	9	75,622,369	106.1
C04	Reallocation	0	0	75,507,114	106.0	0	0	75,622,369	106.1
C06	Restored Position	107,034	1	75,614,148	106.1	107,034	1	75,729,403	106.3
C08	Technology	27,000	0	75,641,148	106.2	58,500	0	75,787,903	106.4

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	71,224,754	60	71,224,754	100.0	71,225,091	60	71,225,091	100.0
C01	Existing Program	4,094,881	2	75,319,635	105.7	4,242,174	6	75,467,265	105.9
C04	Reallocation	(175,000)	0	75,144,635	105.5	(200,000)	0	75,267,265	105.6
C06	Restored Position	107,034	1	75,251,669	105.6	107,034	1	75,374,299	105.8
C08	Technology	6,000	0	75,257,669	105.6	0	0	75,374,299	105.8

Justification

C01	APERS requests the addition of four (4) new positions in FY08 and nine (9) new positions in FY09. This would require an increase in FY08 of \$122,706 in Salaries and \$42,544 in Personal Services Matching and an increase in FY09 of \$258,198 in Salaries and \$91,969 in Personal Services Matching. An additional \$70,000 in Operating Expenses is requested in FY08 for increased printing and postage costs to produce and mail the employee handbook. A \$20,000 increase for each year of the biennium in Conference & Travel Expenses is requested to train new personnel and for the ongoing professional development of current staff. APERS requests an increase of \$4,000,000 in Refunds/Reimbursements each fiscal year to provide sufficient appropriation to pay members who elect to participate in the Deferred Retirement Option Plan (DROP) and the Partial Annuity Withdrawal (PAW), and to reimburse contributory members who request a refund of contributions upon termination.
C04	APERS requests a transfer of \$1,700,000 in each fiscal year of the biennium from Data Processing Services to Professional Fees to appropriately record charges assessed by the Department of Information Systems for the operation of our mainframe and network systems. APERS also requests a transfer of \$175,000 in FY08 and \$200,000 in FY09 from Professional Fees to Operating Expenses to expend payments correctly for actuarial services.
C06	A supplemental position was granted during the 2005-2007 biennium. The agency is requesting to continue this position as a regularly authorized position. This would require \$85,000 in Salaries and \$22,034 in Personal Services Matching for each fiscal year.
C08	APERS requests additional appropriation of \$21,000 for FY08 and \$58,500 for FY09 in technology areas as follows: FY08 - PC workstations for new staff (\$15,000); replacement of printers (\$5,000); external hard drives for backups, switches for network expansion (\$1,000). FY09 - Replacement of PC workstations - based on the three year replacement rotation plan (\$30,000); Upgrade of agency software (\$24,500); Upgrade of server software (\$2,000); and a new projector for retirement seminars (\$2,000). The Capital Outlay request of \$6,000 in FY08 is to replace the current production server due to growth and new technology.

Analysis of Budget Request

Appropriation: 2QS - St Police Retirement-Operations

Funding Sources: TMR - State Police Retirement Fund

The Arkansas Public Employees Retirement System (APERS) administers the State Police Retirement System (SPRS) under the authority of A.C.A §24-6-204. The administration, management, and control of the System is the responsibility of the Board of Trustees of the State Police Retirement System. The Board meets at least once each quarter and consists of eleven (11) members: The Chairman of the Arkansas State Police Commission, the Director of the Department of Arkansas State Police, the Director of the Arkansas Department of Finance and Administration or the director's designee from that department, five members of the SPRS to be elected by the members of the system with at least two (2) holding the rank of trooper, trooper first class or corporal, at least one (1) holding a rank higher than the rank of corporal, and at least one (1) whose retirement eligibility is covered under the Tier Two Benefit Plan of the SPRS.

APERS is requesting an increase of \$10,000 for FY08 and FY09 in Operating Expenses to train current and new Board members.

An appropriation increase is requested for \$500,000 in FY08 and \$1,000,000 in FY09 for Benefits-Non Employee to provide sufficient appropriation for retirement annuities paid via warrant.

The Agency requests an appropriation increase of \$500,000 for FY08 and \$1,500,000 for FY09 in Refunds/Reimbursements to provide sufficient appropriation for payment of the Deferred Retirement Option Plan (DROP).

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2QS St Police Retirement-Operations
Funding Sources: TMR - State Police Retirement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	4,442	47,610	12,610	47,610	57,610	57,610	47,610	57,610	57,610
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	133,879	285,950	320,950	285,950	285,950	285,950	285,950	285,950	285,950
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Benefits-Non Employee 5100023	5,475,980	8,000,000	8,000,000	8,000,000	8,500,000	8,500,000	8,000,000	9,000,000	9,000,000
Refunds/Reimbursements 5110014	3,140,287	6,000,000	6,000,000	6,000,000	6,500,000	6,500,000	6,000,000	7,500,000	7,500,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Data Processing Services 5900044	0	28,000	28,000	28,000	0	0	28,000	0	0
Total	8,754,588	14,361,560	14,361,560	14,361,560	15,343,560	15,343,560	14,361,560	16,843,560	16,843,560
Funding Sources									
Trust Fund 4000050	8,754,588	14,361,560		14,361,560	15,343,560	15,343,560	14,361,560	16,843,560	16,843,560
Total Funding	8,754,588	14,361,560		14,361,560	15,343,560	15,343,560	14,361,560	16,843,560	16,843,560
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	8,754,588	14,361,560		14,361,560	15,343,560	15,343,560	14,361,560	16,843,560	16,843,560

Budget exceeds Authorized Appropriation in Operating Expenses by authority of Budget Classification Transfer.

Change Level by Appropriation

Appropriation: 2QS-St Police Retirement-Operations

Funding Sources: TMR - State Police Retirement Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	14,361,560	0	14,361,560	100.0	14,361,560	0	14,361,560	100.0
C01	Existing Program	1,010,000	0	15,371,560	107.0	2,510,000	0	16,871,560	117.4
C03	Discontinue Program	(28,000)	0	15,343,560	106.8	(28,000)	0	16,843,560	117.2

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	14,361,560	0	14,361,560	100.0	14,361,560	0	14,361,560	100.0
C01	Existing Program	1,010,000	0	15,371,560	107.0	2,510,000	0	16,871,560	117.4
C03	Discontinue Program	(28,000)	0	15,343,560	106.8	(28,000)	0	16,843,560	117.2

Justification

C01	ASPRS requests an appropriation increase of \$10,000 in Operating Expenses for each fiscal year of the biennium to pay for training for the current members of the Board of Trustees and for the three new board members added to the ASPRS Board this year. An appropriation increase in Benefits-Non-Employee of \$500,000 in FY08 and \$1,000,000 in FY09 is requested to provide sufficient appropriation to pay retirement annuities to members via warrant. An appropriation increase for Refunds/Reimbursement of \$500,000 in FY08 and \$1,500,000 in FY09 is requested to provide sufficient appropriation to pay members who elect to participate in the Deferred Retirement Option Plan (DROP).
C03	ASPRS requests a decrease of \$28,000 in each year of the biennium in Data Processing Services to remove data processing budgets. All DP costs will be paid by APERS and reimbursed by ASPRS through the annual transfer.

Analysis of Budget Request

Appropriation: 2QT - Judicial Retirement-Operations

Funding Sources: TAR - Judges Retirement Fund

The Arkansas Public Employees Retirement System (APERS) administers the Judicial Retirement System (JRS) under the authority of A.C.A §24-8-204. The administration and control of the JRS shall be the responsibility of the Board of Trustees of the Judicial Retirement System. The Board meets at least once each quarter and consists of five (5) members appointed by the Arkansas Judicial Council. These members serve at the pleasure of the Council and one member shall be elected by the Board to serve as chairman.

Pursuant to §24-8-207(a), all chancery judges, circuit judges, judges of the Arkansas Court of Appeals, and justices of the Arkansas Supreme Court, whether elected or appointed to office, shall participate in the Arkansas Judicial Retirement System.

APERS is requesting a transfer of \$17,500 from Data Processing Services to Data Processing for both fiscal years to appropriately record charges assessed by the Department of Information Systems (DIS) for the operation of the mainframe and network system.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2QT Judicial Retirement-Operations
Funding Sources: TAR - Judges Retirement Fund

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	6,280	25,510	10,510	25,510	25,510	25,510	25,510	25,510	25,510
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	49,794	137,879	152,879	137,879	137,879	137,879	137,879	137,879	137,879
Data Processing 5090012	0	0	0	0	17,500	17,500	0	17,500	17,500
Benefits-Non Employee 5100023	3,196,259	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Refunds/Reimbursements 5110014	5,333	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Data Processing Services 5900044	0	17,500	17,500	17,500	0	0	17,500	0	0
Total	3,257,666	6,180,889	6,180,889	6,180,889	6,180,889	6,180,889	6,180,889	6,180,889	6,180,889
Funding Sources									
Trust Fund 4000050	3,257,666	6,180,889		6,180,889	6,180,889	6,180,889	6,180,889	6,180,889	6,180,889
Total Funding	3,257,666	6,180,889		6,180,889	6,180,889	6,180,889	6,180,889	6,180,889	6,180,889
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,257,666	6,180,889		6,180,889	6,180,889	6,180,889	6,180,889	6,180,889	6,180,889

Budget exceeds Authorized Appropriation in Operating Expenses by authority of Budget Classification Transfer.

Change Level by Appropriation

Appropriation: 2QT-Judicial Retirement-Operations

Funding Sources: TAR - Judges Retirement Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	6,180,889	0	6,180,889	100.0	6,180,889	0	6,180,889	100.0
C04	Reallocation	0	0	6,180,889	100.0	0	0	6,180,889	100.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	6,180,889	0	6,180,889	100.0	6,180,889	0	6,180,889	100.0
C04	Reallocation	0	0	6,180,889	100.0	0	0	6,180,889	100.0

Justification

C04	AJRS requests a transfer of \$17,500 from Data Processing Services to Data Processing in each fiscal year of the biennium to appropriately record charges assessed by the Department of Information Systems for the operation of our mainframe and network systems.
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Analysis of Budget Request

Appropriation: 2QU - District Judges Benefits-Oprs

Funding Sources: TDJ - District Retirement Judges Fund

The Arkansas Public Employees Retirement System (APERS) administers the District Judge's Retirement System (DJRS) under the authority of A.C.A §24-8-804. The DJRS was created by Act 1374 of 2003 to replace the Municipal Judges and Clerks Retirement Systems. The administration and control of the DJRS is the responsibility of the Board of Trustees of the Arkansas District Judge Retirement System. The Board meets at least once each quarter and consists of five (5) members. Two (2) members are appointed by the Arkansas District Judges Council, two (2) are appointed by the Governor from a list supplied by the employers, and one (1) is a citizen of Arkansas appointed by the Governor, but does not have previous service in the judicial system. Each member serves a four (4) year term and one member is elected by the Board to serve as chairman.

Pursuant to §24-8-807, all elected or appointed district judges will participate in DJRS beginning January 1, 2005. A district judge who was covered by the APERS on December 31, 2004 continued to be covered by that system on January 1, 2005.

The Agency is requesting a transfer of \$20,000 from Professional Fees to Operating Expenses to expend payments correctly for actuarial services. A decrease of \$17,500 in FY08 and FY09 is requested to remove data processing budgets. These costs will be paid by APERS and reimbursed by DJRS via an annual transfer.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2QU District Judges Benefits-Oprs
Funding Sources: TDJ - District Retirement Judges Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	2,926	10,000	10,000	10,000	30,000	30,000	10,000	30,000	30,000
Conference & Travel Expenses 5050009	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees 5060010	10,000	2,062,500	2,062,500	2,062,500	2,042,500	2,042,500	2,062,500	2,042,500	2,042,500
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Benefits-Non Employee 5100023	39,619	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Refunds/Reimbursements 5110014	5,619	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Data Processing Services 5900044	150	17,500	17,500	17,500	0	0	17,500	0	0
Total	58,314	2,300,000	2,300,000	2,300,000	2,282,500	2,282,500	2,300,000	2,282,500	2,282,500
Funding Sources									
Trust Fund 4000050	58,314	2,300,000		2,300,000	2,282,500	2,282,500	2,300,000	2,282,500	2,282,500
Total Funding	58,314	2,300,000		2,300,000	2,282,500	2,282,500	2,300,000	2,282,500	2,282,500
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	58,314	2,300,000		2,300,000	2,282,500	2,282,500	2,300,000	2,282,500	2,282,500

Change Level by Appropriation

Appropriation: 2QU-District Judges Benefits-Oprs
Funding Sources: TDJ - District Retirement Judges Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	2,300,000	0	2,300,000	100.0	2,300,000	0	2,300,000	100.0
C03	Discontinue Program	(17,500)	0	2,282,500	99.2	(17,500)	0	2,282,500	99.2
C04	Reallocation	0	0	2,282,500	99.2	0	0	2,282,500	99.2

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	2,300,000	0	2,300,000	100.0	2,300,000	0	2,300,000	100.0
C03	Discontinue Program	(17,500)	0	2,282,500	99.2	(17,500)	0	2,282,500	99.2
C04	Reallocation	0	0	2,282,500	99.2	0	0	2,282,500	99.2

Justification

C03	ADJRS requests a decrease of \$17,500 in each year of the biennium to remove data processing budgets. All DP costs will be paid by APERS and reimbursed by ADJRS through the annual transfer.
C04	ADJRS requests a transfer of \$20,000 in each fiscal year of the biennium from Professional Fees to Operating Expenses to accurately expend payments for actuarial services.

Analysis of Budget Request

Appropriation: C22 - Public Employee Retirement-Cash

Funding Sources: 131-Arkansas Public Employees Retirement System-Cash

The Arkansas Public Employees Retirement System cash fund is utilized for payments to beneficiaries by check or wire transfer.

The Agency is requesting an appropriation increase of \$25,000,000 for FY08 and FY09 in Benefits - Non-Employee to provide sufficient appropriation to accommodate annuity payments deposited via the Automated Clearinghouse (ACH) system.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: C22 Public Employee Retirement-Cash
Funding Sources: 131-Arkansas Public Employees Retirement System-Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	180,793,356	210,000,000	210,000,000	210,000,000	235,000,000	235,000,000	210,000,000	235,000,000	235,000,000
Total	180,793,356	210,000,000	210,000,000	210,000,000	235,000,000	235,000,000	210,000,000	235,000,000	235,000,000
Funding Sources									
Trust Fund 4000050	180,793,356	210,000,000		210,000,000	235,000,000	235,000,000	210,000,000	235,000,000	235,000,000
Total Funding	180,793,356	210,000,000		210,000,000	235,000,000	235,000,000	210,000,000	235,000,000	235,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	180,793,356	210,000,000		210,000,000	235,000,000	235,000,000	210,000,000	235,000,000	235,000,000

Change Level by Appropriation

Appropriation: C22-Public Employee Retirement-Cash

Funding Sources: 131-Arkansas Public Employees Retirement System-Cash

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	210,000,000	0	210,000,000	100.0	210,000,000	0	210,000,000	100.0
C01	Existing Program	25,000,000	0	235,000,000	111.9	25,000,000	0	235,000,000	111.9

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	210,000,000	0	210,000,000	100.0	210,000,000	0	210,000,000	100.0
C01	Existing Program	25,000,000	0	235,000,000	111.9	25,000,000	0	235,000,000	111.9

Justification

C01	APERS requests an appropriation increase of \$25,000,000 in Benefits - Non Employee for each fiscal year of the biennium to provide sufficient appropriation to accommodate the number of retirees that have their annuity payments deposited directly to their bank accounts via the Automated Clearinghouse (ACH) system.
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Analysis of Budget Request

Appropriation: C23 - St Police Retirement-Cash

Funding Sources: 131-Arkansas State Police Retirement-Cash

The Arkansas State Police Retirement cash fund is utilized for payments to beneficiaries of the State Police Retirement System by check or wire transfer.

The Agency is requesting an appropriation increase of \$1,000,000 for FY08 and \$2,500,000 for FY09 in Benefits - Non-Employee to provide sufficient appropriation to accommodate annuity payments deposited via the Automated Clearinghouse (ACH) system.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: C23 St Police Retirement-Cash
Funding Sources: 131-Arkansas State Police Retirement-Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	10,740,790	13,000,000	13,000,000	13,000,000	14,000,000	14,000,000	13,000,000	15,500,000	15,500,000
Total	10,740,790	13,000,000	13,000,000	13,000,000	14,000,000	14,000,000	13,000,000	15,500,000	15,500,000
Funding Sources									
Trust Fund 4000050	10,740,790	13,000,000		13,000,000	14,000,000	14,000,000	13,000,000	15,500,000	15,500,000
Total Funding	10,740,790	13,000,000		13,000,000	14,000,000	14,000,000	13,000,000	15,500,000	15,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	10,740,790	13,000,000		13,000,000	14,000,000	14,000,000	13,000,000	15,500,000	15,500,000

Change Level by Appropriation

Appropriation: C23-St Police Retirement-Cash
Funding Sources: 131-Arkansas State Police Retirement-Cash

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	13,000,000	0	13,000,000	100.0	13,000,000	0	13,000,000	100.0
C01	Existing Program	1,000,000	0	14,000,000	107.6	2,500,000	0	15,500,000	119.2

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	13,000,000	0	13,000,000	100.0	13,000,000	0	13,000,000	100.0
C01	Existing Program	1,000,000	0	14,000,000	107.6	2,500,000	0	15,500,000	119.2

Justification

C01	ASPRS requests an appropriation increase for Benefits - Non Employees in amount of \$1,000,000 for FY08 and \$2,500,000 for FY09 to provide sufficient appropriation to accommodate the number of retirees that have their annuity payments deposited directly to their bank accounts via the Automated Clearinghouse (ACH) system.
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Analysis of Budget Request

Appropriation: C24 - Judicial Retirement-Cash

Funding Sources: 131-Arkansas Judicial Retirement-Cash

The Arkansas Judicial Retirement cash fund is utilized for payments to beneficiaries of the Judicial Retirement System by check or wire transfer.

The Agency is requesting an appropriation increase of \$1,200,000 for FY08 and \$3,200,000 for FY09 in Benefits - Non-Employee to provide sufficient appropriation to accommodate annuity payments deposited via the Automated Clearinghouse (ACH) system.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: C24 Judicial Retirement-Cash
Funding Sources: 131-Arkansas Judicial Retirement-Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	6,776,949	9,800,000	9,800,000	9,800,000	11,000,000	11,000,000	9,800,000	13,000,000	13,000,000
Total	6,776,949	9,800,000	9,800,000	9,800,000	11,000,000	11,000,000	9,800,000	13,000,000	13,000,000
Funding Sources									
Trust Fund 4000050	6,776,949	9,800,000		9,800,000	11,000,000	11,000,000	9,800,000	13,000,000	13,000,000
Total Funding	6,776,949	9,800,000		9,800,000	11,000,000	11,000,000	9,800,000	13,000,000	13,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	6,776,949	9,800,000		9,800,000	11,000,000	11,000,000	9,800,000	13,000,000	13,000,000

Change Level by Appropriation

Appropriation: C24-Judicial Retirement-Cash

Funding Sources: 131-Arkansas Judicial Retirement-Cash

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	9,800,000	0	9,800,000	100.0	9,800,000	0	9,800,000	100.0
C01	Existing Program	1,200,000	0	11,000,000	112.2	3,200,000	0	13,000,000	132.6

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	9,800,000	0	9,800,000	100.0	9,800,000	0	9,800,000	100.0
C01	Existing Program	1,200,000	0	11,000,000	112.2	3,200,000	0	13,000,000	132.6

Justification

C01	AJRS requests an appropriation increase of \$1,200,000 in FY08 and \$3,200,000 in FY09 in Benefits - Non Employee to provide sufficient appropriation to accommodate the number of retirees that have their annuity payments deposited directly to their bank accounts via the Automated Clearinghouse (ACH) system.
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Analysis of Budget Request

Appropriation: C25 - District Judges Benefits-Cash

Funding Sources: 131-District Judges Retirement-Cash

The Arkansas District Judges Retirement cash fund is utilized for payments to beneficiaries of the Arkansas District Judges Retirement Program by check or wire transfer.

The Agency is requesting an appropriation increase of \$1,400,000 for FY08 and FY09 in Benefits - Non-Employee to provide sufficient appropriation to accommodate annuity payments deposited via the Automated Clearinghouse (ACH) system.

The Executive Recommendation provides for Agency Request.

Appropriation Summary

Appropriation: C25 District Judges Benefits-Cash
Funding Sources: 131-District Judges Retirement-Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	987,637	1,600,000	1,600,000	1,600,000	3,000,000	3,000,000	1,600,000	3,000,000	3,000,000
Total	987,637	1,600,000	1,600,000	1,600,000	3,000,000	3,000,000	1,600,000	3,000,000	3,000,000
Funding Sources									
Trust Fund 4000050	987,637	1,600,000		1,600,000	3,000,000	3,000,000	1,600,000	3,000,000	3,000,000
Total Funding	987,637	1,600,000		1,600,000	3,000,000	3,000,000	1,600,000	3,000,000	3,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	987,637	1,600,000		1,600,000	3,000,000	3,000,000	1,600,000	3,000,000	3,000,000

Change Level by Appropriation

Appropriation: C25-District Judges Benefits-Cash
Funding Sources: 131-District Judges Retirement-Cash

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	1,600,000	0	1,600,000	100.0	1,600,000	0	1,600,000	100.0
C01	Existing Program	1,400,000	0	3,000,000	187.5	1,400,000	0	3,000,000	187.5

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	1,600,000	0	1,600,000	100.0	1,600,000	0	1,600,000	100.0
C01	Existing Program	1,400,000	0	3,000,000	187.5	1,400,000	0	3,000,000	187.5

Justification

C01	ADJRS requests an appropriation increase in Benefits - Non Employee for \$1,400,000 in each fiscal year of the biennium to provide sufficient appropriation to accommodate the number of retirees that have their annuity payments deposited directly to their bank accounts via the Automated Clearinghouse (ACH) system.
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